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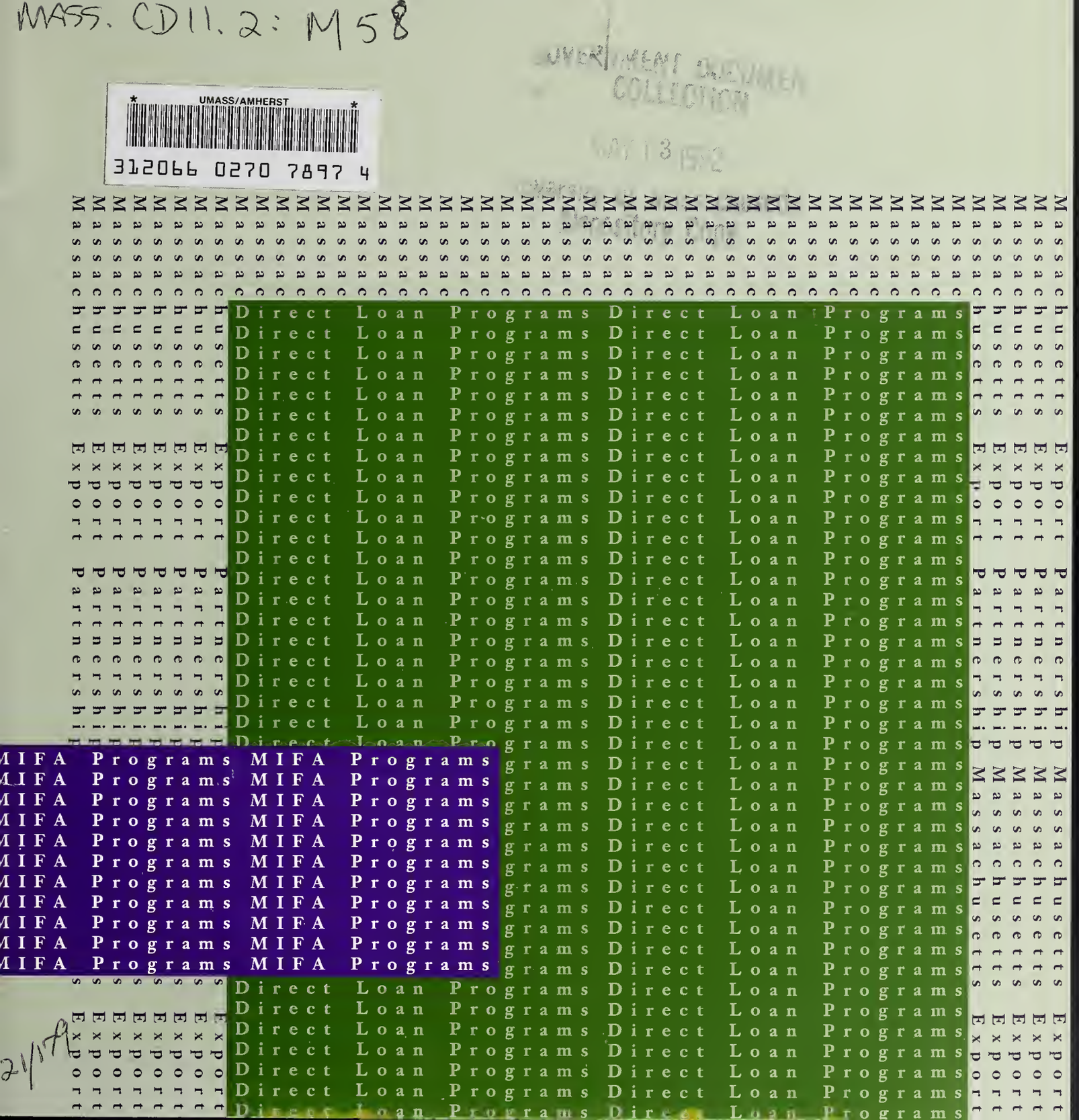


MIFA Financing Opportunities for Massachusetts Businesses

Massachusetts Industrial Finance Agency

Industrial Development Bond (IDB) Programs Directory Services

Industrial Development Bond (IDB) Programs Advisory Services

Industrial Development Bond (IDB) Programs Advisory Services

Industrial Development Bond (IDB) Programs Advis

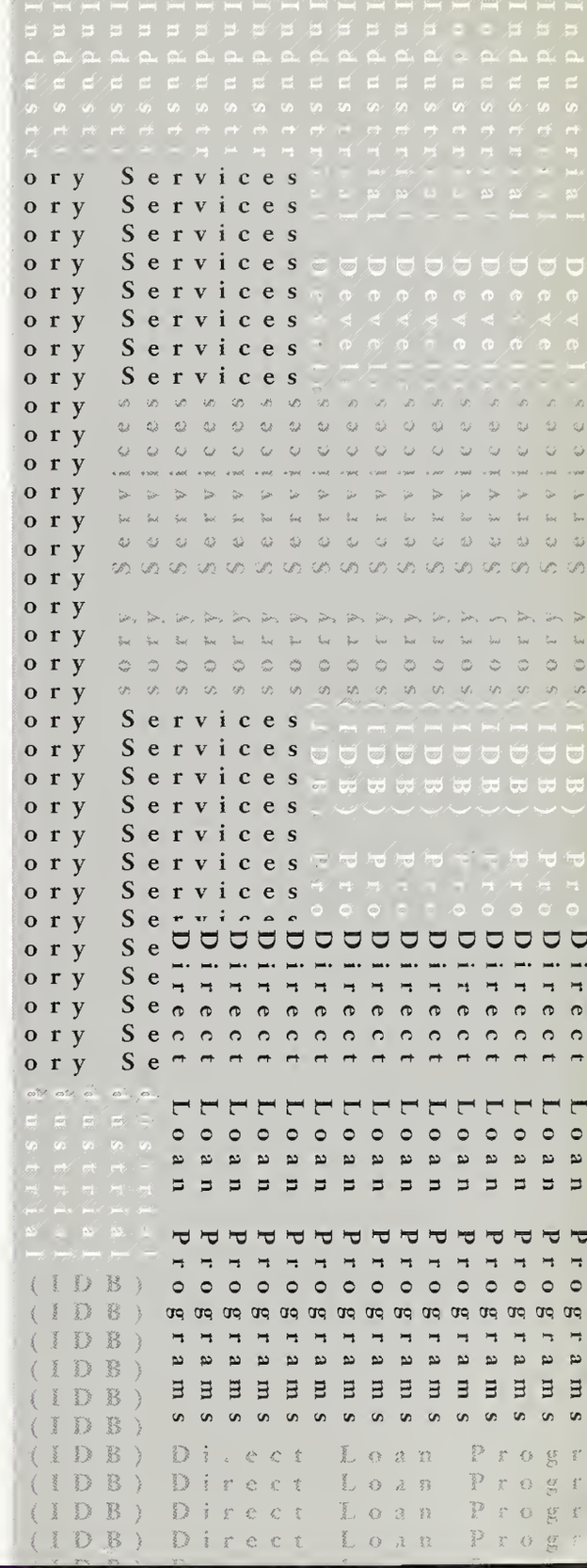
Dear Friend:

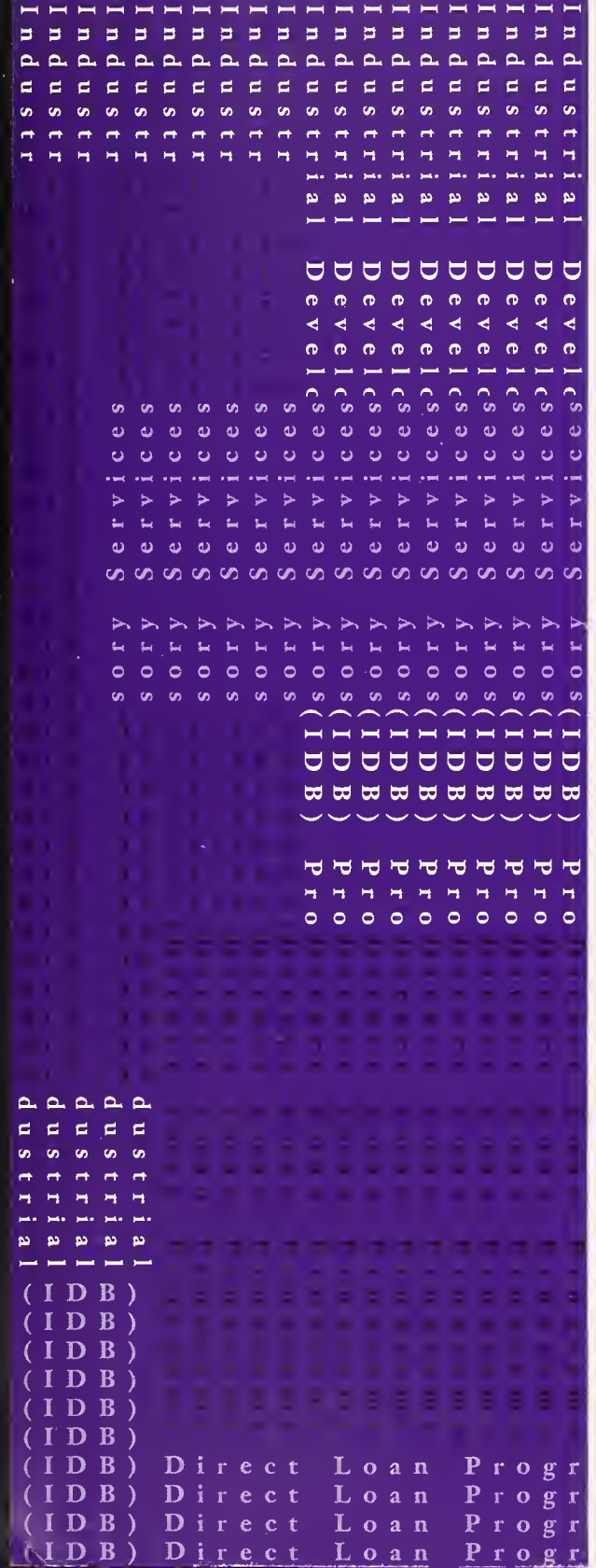
Since 1978, the Massachusetts Industrial Finance Agency (MIFA) has served as the state's economic development bank by providing capital to growing businesses. In this difficult lending environment, MIFA continues to stimulate private investment and job creation through a variety of programs.

This brochure describes MIFA's services to manufacturing and commercial enterprises. Please contact us if we can be of assistance. We look forward to hearing from you.

Sincerely,

Joseph D. Blair
Executive Director




Industrial Development Bond (IDB) Programs
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MIFA Programs

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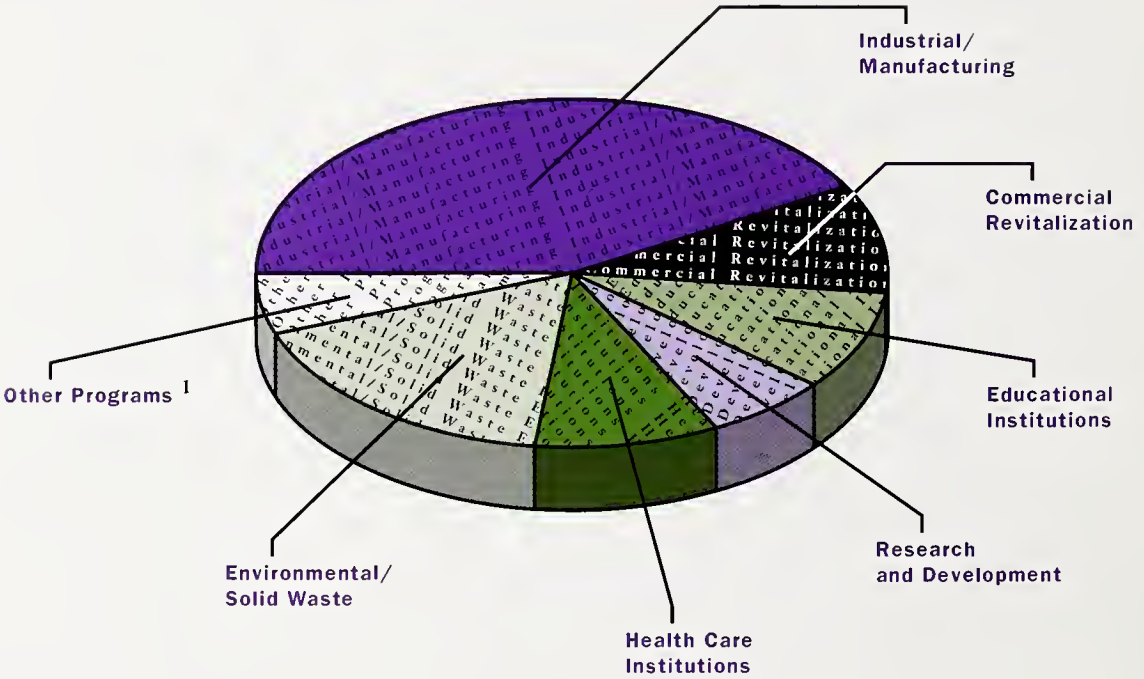
8 **Eligibility Grid**

As the Commonwealth's development bank, the Massachusetts Industrial Finance Agency (MIFA) provides capital for economic growth. Since 1978, MIFA has provided access to private sources of capital for expanding businesses and institutions in Massachusetts. With the authority to issue tax-exempt and taxable bonds, insure loans and make direct loans, the Agency has completed over $6 billion in financings for more than 2,500 projects, helping to create or retain over 82,000 jobs.

MIFA has developed partnerships with investors and financial institutions to open up capital markets typically unavailable to smaller borrowers. By introducing new financing techniques and sources of capital, MIFA lowers the cost of borrowing and offers flexible terms for corporate, non-profit and municipal borrowers.

MIFA's Portfolio: FY '78-FY '91



Agency Total : $6 Billion

(1) Direct Loan Programs, Refundings, Mortgage Insurance Program, Massachusetts Export Partnership and Tax-exempt Government Bonds

As a leading issuer of taxable and tax-exempt debt for businesses, MIFA has developed a well recognized name in the capital markets. MIFA bonds have been sold to the public credit market, the commercial paper market, insurance companies, pension funds and mutual funds, significantly broadening the investor base on behalf of corporate borrowers. MIFA has introduced numerous companies to highly rated domestic and international banks that have provided letters of credit. The high ratings of these banks allow MIFA clients to borrow at interest rates normally achievable only by the Fortune 500. The Agency has secured over $300 million in letter of credit agreements with international banks including Barclays Bank, National Westminster Bank, Rabobank Nederland, and the Union Bank of Bavaria. MIFA also works closely with the local banking community to provide credit enhancement and financial services to its borrowers.

MIFA has responded to changes in the economy, tax laws and capital markets with services aimed at lowering the cost of capital to small companies. Important recent developments in Agency activities include:

Advisory Services :

This program provides alternative sources of financing to companies that cannot finance their projects with bond financing. Through the Agency's relationships with regional, national and international sources of capital, MIFA can provide valuable information and referrals for companies seeking working capital lines of credit, equipment leasing, term loans and permanent financing.

Economic Development Fund :

Capitalized out of MIFA's own reserves, the Economic Development Fund provides loans for minority-owned and/or influenced industrial and commercial enterprises to finance fixed-asset and working capital projects.

Just as no two businesses are exactly alike, no two financing solutions are alike. MIFA has a variety of financing services that offer flexibility in structure and terms to suit the specific needs of corporate borrowers.

Eligibility Grid For Massachusetts Businesses

The following grid may serve as a general guide to MIFA's programs for manufacturing and commercial borrowers. The specific facts relating to each proposed project must be examined by counsel to determine eligibility. Programs and case studies are presented in this book, but additional information regarding any of the services may be obtained by calling MIFA at (617) 451-2477.

	Tax-exempt IDBs	Taxable IDBs	Advisory Services	Massachusetts Export Partnership	Child Care Facilities Loan Fund	Economic Development Fund	Seafood Loan Fund	Thrift Institutions Fund
Construction and/or purchase of land, buildings & equipment for manufacturing facilities • *under $10 million*	■		■					■
• *above $10 million*		■	■					
Qualified tax-exempt solid waste, waste water treatment & energy generation facilities	■		■					■
Environmental facilities not qualified as tax-exempt borrowers		■	■					■
Purchase of land, buildings & equipment for non-manufacturing facilities		■	■					■
Working capital to finance operations			■					■
Expansion projects for minority-owned industrial and commercial enterprises	■	■	■			■		■
Purchase of materials, services and labor for the production of goods for export			■	■				■
Refunding tax-exempt bonds	■							
Refinancing conventional debt		■	■					■
Acquisition, renovation or construction of building and/or purchase of equipment for child care facilities		■	■		■			■
Fixed-asset financing for processing, distribution or marketing of seafood products		■	■				■	

Industrial Development Bond (IDB) Programs

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10 **Tax-exempt Industrial Development Bonds**

12 **Taxable Industrial Development Bonds**

For manufacturers contemplating an expansion project within the next three years, the Tax-exempt Industrial Development Bond (IDB) Program offers the most attractive rates available. MIFA has issued more than $4 billion in tax-exempt bonds for 2,100 expansion projects, helping to create or retain over 80,000 jobs statewide.

The Tax Reform Act of 1986 reduced the volume of tax-exempt IDBs MIFA can issue each year and removed the incentive for commercial banks to purchase tax-exempt bonds. However, commercial banks continue to play a vital role in these financings by providing borrowers with letters of credit for the bonds to attract investors. MIFA's Tax-exempt IDB Program is a way for banks and manufacturers to work together to foster growth in this crucial sector of the economy.

Eligibility :

- Tax-exempt IDBs are available for manufacturers undertaking fixed-asset expansion projects, including the acquisition, renovation and construction of buildings and the purchase of land and new equipment.
- Capital expansion projects may not exceed $10 million within the same municipality three years prior to and three years after the issuance of the bonds.
- Borrowers may not have more than $40 million of tax-exempt bonds outstanding nationwide.
- If a borrower is purchasing an existing facility, 15% of bond proceeds must be applied to renovation of the facility.
- Project size ranges from approximately $1 million to a federally imposed maximum of $10 million.
- Bond proceeds for land acquisition cannot exceed 25% of the total bond amount.
- Bonds must receive an allocation from the statewide volume cap applicable to the Commonwealth of Massachusetts. MIFA receives a share of the annual volume cap from the Commonwealth and in turn allocates its share to projects with applications before the Agency.

Tax-exempt IDBs can also be used for environmental projects, including recycling, sewage, solid waste and hazardous waste facilities. Many of the above criteria do not apply to environmental projects.

Structure :

Tax-exempt bonds are sold either in the public market or through private placements with institutional investors. In some cases, a rated letter of credit may be necessary to attract investor interest. MIFA will advise the borrower concerning credit enhancement from banks or insurance companies, if applicable. The Agency can assist the borrower in negotiating the financing structure, security and financial covenants with the bank.

Process :

The borrower submits an application for tax-exempt bond financing to MIFA. A summary of the company and its project, along with a resolution prepared by bond counsel to determine eligibility, are presented to MIFA's Board of Directors for Official Action. MIFA's Board meets on a regular monthly schedule.

Once the financing structure is determined, the project will be presented to the MIFA Board for Final Approval. The schedule for closing the bonds will depend on market conditions.

Fees :

There is a $1,000 non-refundable and non-creditable application fee due with the application package. An issuance fee of 1% is due upon closing. This fee does not include charges for any counsel to the transaction. Up to 2% of the total bond proceeds may be used to pay issuance costs.

Contact :

Bonnie H. Sullivan
Corporate Finance Manager
617-451-2477

NewCorr Packaging Partnership Ltd.

Amount : *$6.8 million*

Program : *Tax-exempt Industrial Development Bond Program*

Terms : *Annually adjustable, 2 years interest only, 12-year term, 10-year amortization*

Date : *September 1990*

Project : *Bond proceeds were used to purchase and install an Isowa paperboard corrugator.*

Bond Purchaser : *Public Offering*

Letter of Credit : *Barclays Bank PLC*

Significance : *The transaction provided NewCorr cooperative with low-cost financing for state-of-the-art equipment.*

To improve their efficiency and increase their competitiveness, six New England processors of corrugated paperboard formed a cooperative venture in Massachusetts with the help of tax-exempt financing. The cooperative, NewCorr Packaging Partnership Ltd., will insure a steady supply of corrugated sheet and stabilize the cost of paperboard for the six participating companies. MIFA joined with the Northborough Industrial Development Finance Authority to issue a $6.8 million tax-exempt Industrial Development Bond for NewCorr for the purchase of a state-of-the-art Isowa corrugator which produces extremely efficient, high quality corrugated paperboard. Forty new jobs were created by the venture.

MIFA introduced NewCorr to the highly rated Barclays Bank PLC. With a Barclays letter of credit, the company was able to obtain low-cost financing with repayment terms tailored to the special needs of the cooperative venture. The 12-year term bond, for which the interest rate is annually adjustable, carries a 10-year amortization. The bond was underwritten by Tucker Anthony & R.L. Day, Inc.

Long used as a financing tool by larger corporate entities, taxable bond programs are gaining recognition as a viable financing option for commercial projects and smaller businesses as well. Using credit enhancement techniques and pooling borrower needs, MIFA is able to cut the cost of debt for certain types of projects. Taxable Industrial Development Bonds (IDBs) offer borrowers substantial flexibility in rates and terms. There is no limit to the bond size for taxable IDBs; thus the program is well-suited to major industrial and commercial real estate projects, particularly for companies that can no longer gain access to tax-exempt financing. Taxable bonds are not subject to the complex restrictions of federal tax law which apply to tax-exempt bonds. In some instances, taxable bonds are exempt from state income taxes for Massachusetts investors.

Eligibility :

Taxable IDBs are available for a wide range of industrial and commercial projects including manufacturing, warehouse and distribution, research and development, and economic development projects. Bond proceeds can be used for acquisition, construction or renovation of buildings, for purchase of land and equipment, and for refinancing existing asset-based debt.

Structure :

Taxable bonds can be either fixed or variable rate, and can be structured either as public offerings or as private placements. Smaller projects may be pooled into larger bond amounts, resulting in lower issuance costs for borrowers.

Currently, MIFA has an agreement with the Massachusetts Bay Transportation Authority (MBTA) Retirement Fund for the purchase of $20 million in taxable bonds to finance small business expansion projects.

Process :

The borrower submits an application for taxable bond financing to MIFA. A summary of the company and its project, along with a resolution prepared by bond counsel, are presented to MIFA's Board of Directors for Official Action. The Board determines the project's eligibility and reviews the project with regard to public benefit and job creation. MIFA's Board meets on a regular monthly schedule.

Once the financing structure is determined, the project will be presented to the MIFA Board for Final Approval. The schedule for closing the bonds will depend on market conditions.

Contact :

Bonnie H. Sullivan
Corporate Finance Manager
617-451-2477

Massachusetts Biotechnology Research Park / Worcester Business Development Corporation

Amount : *$12.5 million*
Program : *Taxable Industrial Development Bond Program*
Terms : *9.95% fixed for 7 years*
Date : *April 1990*
Project : *Bond proceeds provided permanent financing for the second phase of the Park.*
Significance : *MBTA Retirement Fund and two insurance companies purchased the bonds.*

In April 1990, MIFA brought together an extraordinary financing team that included a public agency, a public pension fund, insurance companies and a triple-A rated international bank to help finance one of the nation's first fully operational biotechnology research parks.

Through MIFA's taxable bond program, the Worcester Business Development Corp. (WBDC) secured long-term financing for Two Biotech Park, the second phase of several buildings planned for the 75-acre Massachusetts Biotechnology Research Park in Worcester.

MIFA's relationships with international banks and bond purchasers made it possible for WBDC to secure $12.5 million in permanent financing. Barclays Bank PLC enhanced the issue with a triple-A rated letter of credit. The bonds were purchased by two affiliates of the Sun Financial Group (led by Sun Life Assurance Company of Canada), the Massachusetts Mutual Life Insurance Company and the Massachusetts Bay Transportation Authority (MBTA) Retirement Fund. The MBTA Retirement Fund made the investment as part of a $20 million commitment to purchase MIFA bonds for local, job-producing projects.

With the completion of this financing, 500 people now work at 18 companies located at the Park. Building on the success of MIFA's financing for the first two phases of the Biotech Park, WBDC attracted the German company BASF to the Park. BASF is building a two-phase, 500,000 square foot building that is projected to employ 1,000 people.

Advisory Services

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MIFA offers financial Advisory Services to companies that cannot finance their projects through the Agency's bond programs. As a facilitator for small businesses seeking capital, MIFA works with companies to structure and present their financing packages to such potential investors as commercial banks, leasing companies, pension funds and insurance companies. MIFA is able to locate capital through its relationships with numerous regional, national and international providers of capital in both debt and equity markets. The Agency understands the requirements of these investors and can assist borrowers in preparing proposals that address investor concerns.

Eligibility :

Advisory Services are available for corporations, non-profit organizations and commercial projects seeking working capital lines of credit, equipment leases and permanent financing.

Process :

Potential borrowers should contact MIFA to discuss borrowing requirements. Upon receipt of the borrower's capital plan, financial statements and cash flow pro formas, MIFA will review financing options with the borrower.

Fees :

MIFA charges a one-time fee on all transactions to be paid at closing.

Contact :

Joseph D. Blair
Executive Director
617-451-2477

CASE STUDY:

West Lynn Creamery

Amount : *$28 million*

Program : *Advisory Services*

Date : *August 1990*

Project : *Loan funds were used to refinance $14 million of outstanding operating capital and long-term debt and provide additional capital for future growth.*

Significance : *Company retained its existing workforce and obtained the necessary capital for further expansion.*

In a difficult banking environment, West Lynn Creamery, a manufacturer and distributor of dairy products, approached MIFA with the need to establish new sources of financing. West Lynn Creamery's long term banking partner could not meet the full range of the company's banking needs including a request for additional short-term credit. West Lynn needed $28 million to refinance its existing debt and obtain capital for future growth.

Working with West Lynn Creamery, the Agency packaged and presented the project to several banks. MIFA helped the company establish a new banking relationship and assisted in negotiating the credit facility. West Lynn secured a credit line to finance major equipment purchases, inventory and other operating needs, as well as the company's future expansion needs. The company also refinanced its long-term debt. In a competitive marketplace and difficult economic environment, West Lynn Creamery was able to maintain its strong standing in the dairy industry, retain its 700 employees and plan for future expansion.

Massachusetts Export Partnership

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Sponsored by MIFA, the Export-Import Bank of the United States (Eximbank) and the Massachusetts Office of International Trade and Investment (OITI), the Massachusetts Export Partnership helps small businesses open doors to foreign markets. The Partnership encourages lenders to provide working capital loans to exporters by taking advantage of Eximbank's 90% guarantee. With MIFA's expertise in small business lending and the guarantee of the federal government, the Massachusetts Export Partnership makes it easier for small and medium-sized businesses to maximize their international trade opportunities.

Eligibility :

- Eligible borrowers are companies involved with or starting to develop export activities. Companies must be unable to get financing without the guarantee.
- Eligible lenders are banks or other providers of commercial credit. If necessary, MIFA will work with the borrower to establish a banking relationship under the program. The lender is the party protected by the guarantee.
- Loan funds may be used to purchase materials, services and labor for the production of goods for export. A portion of the funds may be used for foreign business development such as marketing activities, trade show participation or other promotional activities. Loan funds cannot be used to pay existing debt.
- There is no maximum or minimum guaranteed loan amount; however, the program will not be cost-effective for amounts less than $50,000.
- Products exported must be composed of a minimum of 50% United States content which includes labor, materials or services involved in the manufacturing of the product.

Structure :

Eximbank will provide the lending institution with a 90% guarantee on a working capital loan or line of credit.

Rates charged are negotiable between the lender and the exporter. The term of the guarantee may be up to twelve months and may be renewed on a case-by-case basis for an additional twelve months.

Various types of collateral will be considered including accounts receivable, inventory, goods purchased with loan proceeds, and personal guarantees. Foreign receivables are also acceptable.

Process :

The applicant should consult with MIFA to determine eligibility.

Upon receipt of the borrower's completed application, MIFA will review the application and visit the borrower to discuss the project. MIFA will prepare the application for submission to Eximbank and monitor it through the approval process.

Once Eximbank approves the financing, final commitment will be awarded to the lender and the transaction will proceed between the borrower and the lending institution.

Fees :

There are non-refundable processing fees payable to MIFA and to Eximbank which are due upon submission of the application package. A MIFA fee of .25% of the loan amount is due when the final commitment from Eximbank is awarded. The minimum MIFA fee is $1,000. Eximbank fees include a one-time .5% facility fee payment and a .25% user fee each calendar quarter on the size of the outstanding balance.

Contact :

Mark F. Chin
Associate
617-451-2477

Ocean Data Equipment Corporation (ODEC)

Amount : *$350,000*

Program : *Massachusetts Export Partnership*

Lender : *Fleet Bank of Massachusetts, N.A.*

Date : *June 1991*

Project : *The loan provided working capital for the completion of a $760,000 contract with a major shipyard in India.*

Significance : *Eximbank's guarantee enabled ODEC to obtain the working capital necessary to compete for a contract in India.*

The Export-Import Bank of the United States (Eximbank) guaranteed a $350,000 Fleet Bank of Massachusetts, N.A. loan to Ocean Data Equipment Corporation (ODEC), a Fall River manufacturer of acoustical and sonar based equipment used to measure ocean depth and speed. ODEC will use loan funds to install a complete on-board electronic system on a newly constructed sea vessel in India. The system measures and displays oceanographic data used for studying underwater topography. In addition, the improved system measures sedimentation levels below the ocean floor.

The Massachusetts Export Partnership program enabled ODEC to utilize its foreign receivables and inventory as collateral to obtain a guarantee from Eximbank. With a 90% guarantee, the local bank gained the needed security to provide the $350,000 loan to ODEC, thereby allowing the company to finance its expansion into the global marketplace.

24 Child Care Facilities Loan Fund

26 Seafood Revolving Loan Fund

28 Thrift Institutions Fund For Economic Development

30 Economic Development Fund

The availability of on-site child care is a critical issue for the state's economy. MIFA's Child Care Facilities Loan Fund was created in 1986 to help companies and non-profit institutions build on-site child care facilities for employees. Funded out of the Agency's own reserves, the revolving direct loan fund was originally capitalized at $750,000, all of which was committed to projects ranging from a center at East Boston's Logan Airport that serves 20 children to The Learning Center in Lee, which provides care for 112 children. The initial success of the program encouraged MIFA's Board of Directors to add $750,000 to the Fund, for a total capitalization of $1.5 million.

Eligibility :

- The Fund is targeted for corporate-sponsored day care. Eligible projects must have a commitment from manufacturers, consortia of businesses or non-profit organizations for 50% of the allotted spaces for the children of their employees. Community and speculative centers are not eligible.
- Corporate sponsor(s) must make a 10% equity contribution based on the total project cost or an equivalent commitment to support operating costs.
- Loans can be used for the acquisition, renovation or construction of child care facilities and/or the purchase of permanently installed equipment.

Structure :

Rates charged are usually computed at a premium above the current yield on U.S. Treasury securities, unless credit considerations dictate otherwise. Loans will have maturities appropriate to the value of the assets being financed, but will generally not exceed five years.

Child Care Facilities Loans may be secured by a lien on assets being financed and personal and corporate guarantees.

Process :

The borrower submits the completed application to MIFA. MIFA will review the application and visit the borrower at the proposed site to discuss the project and to address any outstanding issues or concerns.

Applicants will need corporate counsel to handle real estate aspects of the project (if any) and to review legal documents.

After review by MIFA staff, the application will be submitted to MIFA's credit committee to assess the financial feasibility of the project. Following credit committee approval, MIFA will present the project to the Agency's Board of Directors, which meets on a regular monthly schedule.

Upon Board approval, MIFA will issue a commitment letter and proceed toward closing.

Fees :

There is a $1,000 non-refundable application fee for corporations and a $1,000 non-refundable application fee for non-profit organizations. A 1% origination fee is due at closing.

Contact :

Bonnie H. Sullivan
Corporate Finance Manager
617-451-2477

CASE STUDY:

Chelmsford Children's School

Amount : *$120,000*

Program : *Child Care Facilities Loan Fund*

Terms : *5-year note, 15-year amortization*

Date : *April 1991*

Corporate Sponsors : *Hewlett Packard/Apollo, Middlesex Corporation, Massachusetts Bituminous Products*

Project : *Loan funds were used to add classroom space and purchase equipment for the early child care provider.*

Significance : *The additional classroom space allows the School to increase its enrollment by 23 children.*

The Chelmsford Children's School, an early child care provider in Chelmsford, added classroom space and purchased equipment with a $120,000 direct loan from MIFA's Child Care Facilities Loan Fund. With the additional classroom space, the School provided day care to the ten children on its waiting list and enabled the enrollment of thirteen additional children.

Founded by parents seeking an educational child care setting in Chelmsford, the center has been praised for its creative learning program which includes a component for identification and mainstreaming of "at risk" children. The non-profit center provides care to the children of employees of the surrounding high-technology manufacturing firms including Hewlett Packard/Apollo, Digital, Wang and Teledyne.

The project reflects the shared efforts of high-tech companies, employees and parents in the community. Hewlett Packard/Apollo donated computer equipment to the center and the Middlesex Corporation and Massachusetts Bituminous Products contributed materials and labor for the School's parking lot. In addition, a contribution for equipment, supplies and services came from parents whose children attend the School.

The Seafood Revolving Loan Fund was created to enhance the competitiveness of the $1 billion seafood processing industry in Massachusetts. Capitalized with $1.5 million, the Fund provides low-cost, fixed rate loans for seafood processors. Since the Fund's creation in 1983, direct loans have been extended to companies in almost every port of the Commonwealth.

Eligibility :

- Loans are available to companies engaged in shipping, processing, freezing, storing, packing, distributing or marketing of seafood products. The Fund targets innovation in the following areas: improved product quality, utilization of fish by-products, surimi production and improved distribution and marketing.
- Direct loans of up to $200,000 are available for fixed-asset financing needs.
- Loans can be used to finance equipment and technologies which will improve the quality, efficiency or competitiveness of a company's operation. Funds cannot be used for working capital or for the purchase of vessels.

Structure :

Rates charged are usually computed at a premium above the current yield on U.S. Treasury securities, unless credit considerations dictate otherwise.

Loans will have maturities appropriate to the value of the assets being financed, but will generally not exceed five years.

Loans may be secured by a mortgage or lien on real estate and equipment, personal guarantees, insurance or other collateral.

Process :

The applicant should consult with MIFA to determine eligibility.

After review by MIFA staff, the application will be submitted to MIFA's credit committee to assess the financial feasibility of the project. Following credit committee approval, MIFA will present the project to the Agency's Board of Directors, which meets on a regular monthly schedule.

Upon Board approval, MIFA will issue a commitment letter and proceed toward closing.

Fees :

There is a $1,000 non-refundable application fee and an origination fee of 1% of principal due at closing.

Contact :

Bonnie H. Sullivan
Corporate Finance Manager
617-451-2477

East Coast Seafood, Inc.

Amount : *$200,000*

Program : *Seafood Revolving Loan Fund*

Terms : *5-year note, 10-year amortization*

Date : *May 1989*

Project : *Loan funds were used to purchase an automated storage and holding system for live lobsters.*

Significance : *The financing enabled the company to become the largest wholesaler of lobsters in the United States by increasing its processing and packaging capabilities.*

East Coast Seafood, Inc., a distributor of live North American lobsters, secured a $200,000, 5-year loan from MIFA to purchase an automated storage and holding system for lobsters at their 52,000 square foot facility in Lynn. With the new equipment, East Coast Seafood increased its handling, sizing, storage and packaging capabilities and in turn, became the largest wholesaler of lobsters in the United States. The project created 25 jobs.

"Our top priority is to meet our customer demands with quality, availability and service," said Michael Tourkistas, president of East Coast Seafood. "With MIFA financing we were able to purchase equipment to increase our shipping activities overseas. The new technology improves our service to customers as far away as Spain, Japan and the Netherlands."

Aggressive marketing coupled with the airfreighting of lobsters nationwide resulted in a sales increase from $700,000 in 1980 to $20 million in 1988. The state-of-the-art equipment and new facility will enable East Coast to double its sales to $40 million in 1991.

MIFA is one of five quasi-public authorities designated to originate and service direct loans for the Thrift Institutions Fund for Economic Development, a $100 million, non-revolving pool of capital targeted to projects in Massachusetts which cannot finance through conventional sources. The Fund is underwritten entirely by the state's savings banks, savings and loan associations, and cooperative banks. The Thrift Fund has a 15-member board composed of thrift bankers and economic development officials.

Eligibility :

- The Thrift Fund is targeted to projects located in areas of high unemployment, projects that cannot finance conventionally, and projects that have a strong public purpose. The Fund may be used by manufacturers, small businesses and mixed-use commercial projects.
- MIFA handles loan requests over $250,000 for plant expansions and equipment purchases.
- Loans may be used for the acquisition, construction, renovation of buildings and/or equipment purchases. The Thrift Fund also makes loans for working capital and bridge financing.
- Thrift Fund loans are not intended to replace private financing.

Structure :

The base lending rate was 10.5% as of November 1991. Loans can be structured as either fixed or variable rates with maturities decided on a case-by-case basis.

Security in the form of a mortgage or lien on real estate and equipment, personal guarantees or other collateral may be required.

Process :

The borrower submits the completed application to MIFA. MIFA will review the application and visit the borrower at the proposed site to discuss the project.

Applicants will need corporate counsel to handle real estate aspects of the project and review the legal documents.

MIFA will prepare a summary of the project and present it to the Thrift Fund Board of Directors, which meets on a regular monthly schedule. Upon Board approval, MIFA will oversee the closing of the loan and service the transaction.

Fees :

There is a $1,000 application fee: $500 for MIFA and $500 for the Thrift Fund. A 2% origination fee is due at the time the commitment letter is signed.

Contact :

Bonnie H. Sullivan
Corporate Finance Manager
617-451-2477

Housatonic Railroad Company, Inc.

Amount : *$300,000*

Program : *Thrift Institutions Fund for Economic Development*

Terms : *4-year note, 15-year amortization*

Date : *January 1991*

Project : *Funds were used to purchase 36 miles of railroad line for rehabilitation.*

Significance : *The financing provides reliable rail service for 12 manufacturers in Western Massachusetts.*

With the help of MIFA, Housatonic Railroad Company, Inc. obtained a $300,000 loan from the Thrift Fund to purchase the Berkshire Line in Western Massachusetts. The state and the Federal Railroad Administration will supply funds for the rehabilitation of the 36 miles of rail.

The project will benefit the Commonwealth by providing reliable rail service for twelve manufacturers in Western Massachusetts. Among the companies using the line will be three paper mills and four lumber companies. Efficient rail service is vital to the growth of these industries as they seek to manage transportation costs.

The renovated line will reconnect with its natural extension to the south, providing the basis for eventual restoration of the New York City-Pittsfield passenger service which was discontinued in 1971.

The Economic Development Fund is a $1.5 million MIFA revolving loan fund created to assist minority-owned companies and companies with high minority involvement. In general, MIFA investments will occur in conjunction with other public and private lenders/investors. By participating with other lenders, the Agency will encourage and stimulate additional sources of capital for minority businesses. The Agency prefers to offer straight asset-based debt financings, consistent with MIFA's other direct lending programs.

Eligibility :

- Loans are available to minority-owned companies and companies with high minority involvement in Massachusetts. Within this target area, MIFA looks to assist industrial and commercial enterprises, with priority to smaller businesses and job creating projects in areas of higher than average unemployment.
- Direct loan amounts range from $100,000 to $500,000 and are available for fixed-asset and working capital financing needs.
- MIFA's participation will be primarily in the form of debt but may allow for certain combinations of debt with equity participation.

Process :

The applicant should consult with MIFA to determine eligibility.

After review by MIFA staff, the application will be submitted to MIFA's credit committee to assess the financial feasibility of the project. Following credit committee approval, MIFA will present the project to the Agency's Board of Directors, which meets on a regular monthly schedule.

Upon Board approval, MIFA will issue a commitment letter and proceed toward closing.

Contact :

Lawrence J. Smith, Jr.
Chief Financial Officer
617-451-2477

Board of Directors

MIFA is governed by a board of directors consisting of nine members, six of whom are appointed by the Governor from the private sector and three of whom are public officials who serve ex officio. Board members serve staggered, three year terms. The directors make certain specific findings before approving the issuance of any bond by MIFA or a local industrial development financing authority. Board members serve without compensation.

Chairman

Robert L. Beal
Partner
The Beal Companies

Vice-Chairman

David F. Squire
Trustee and Former Vice President
Brandeis University

Treasurer

Ronald A. Homer
President and Chief Executive Officer
Boston Bank of Commerce

Kevin L. Cotter
Business Manager
Plumbers Union, Local 12

Janet M. Pavliska
Financial Consultant

Joseph D. LoBello
Executive Vice President
and Chief Operating Officer
Peoples Bank of Holyoke

Peter Nessen
Secretary
Executive Office for Administration and Finance

Daniel S. Gregory
Secretary
Executive Office of Economic Affairs

Joseph J. Donovan
Executive Director
Massachusetts Office of Business Development

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